

ASSEMBLY BILL

No. 1012

Introduced by Assembly Member Charles Calderon

February 22, 2007

An act to add Section 3434 to the Public Resources Code, relating to oil and gas conservation.

LEGISLATIVE COUNSEL'S DIGEST

AB 1012, as introduced, Charles Calderon. Oil and gas deposits: assessments.

Existing law imposes an annual charge on a person operating an oil or gas well, or owning royalty or other interests in the well, based on the production of the well during the preceding year. The moneys collected from these charges are used to supervise and protect deposits of oil and gas in the state, and are available upon appropriation by the Legislature.

This bill would require the Division of Oil, Gas, and Geothermal Resources in the Department of Conservation and the State Board of Equalization to jointly conduct an annual oil and gas price study that may be used by counties when determining the assessment on oil and gas properties. The cost of the study would be funded from the proceeds of the annual charges on oil and gas producers. These provisions would be repealed January 1, 2010, unless later legislation extends that repeal date.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 3434 is added to the Public Resources
2 Code, to read:
3 3434. (a) The State Board of Equalization and the division
4 shall jointly conduct an annual oil and gas price study that may be
5 used by counties when determining the assessment on oil and gas
6 properties.
7 (b) The board will be the lead agency conducting the study, but
8 shall consult with the division.
9 (c) The board may hire a third-party consultant or have a
10 qualified board employee perform the study.
11 (d) The study shall be funded from proceeds of the charge
12 imposed on oil and gas production pursuant to Sections 3402 and
13 3403. Only expenses directly related to the study may be
14 reimbursed to the board or the division, in addition to a maximum
15 14 percent administrative charge by each agency.
16 (e) This section shall remain in effect only until January 1, 2010,
17 and as of that date is repealed, unless a later enacted statute, that
18 is enacted before January 1, 2010, deletes or extends that date.